

Rescue Employee Morale, Productivity With Strategic Recognition

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Companies today are faced with the pressing challenge of finding new, cost-effective ways to motivate a workforce that is becoming increasingly fearful, distracted and unproductive. “Psychological recession” and “layoff survivor syndrome” are a few of the new buzzwords that have entered the vernacular, which describe the state of many employees who have had to say goodbye to co-workers, bonuses, pay raises and benefits — all while taking on more work.

The impact of these dynamics on morale and productivity can be substantial. As reported in a recent article on MSNBC.com, “A flurry of research after the economic downturn of the 1990s found that layoff survivors reported high levels of distrust and lower levels of motivation and engagement. Absenteeism went up, productivity went down.”

A December 2008 study by Leadership IQ, as reported in *Workforce Management* magazine, said, “Corporations are mistaken to think that employees who survive layoffs will work harder out of gratitude. In fact, by their own admission, employees say their companies should expect less from them going forward. Moreover, nearly 75 percent of employees who held on to their jobs amid downsizing acknowledge that their individual productivity is declining, while nearly seven in 10 say their company’s product or service lines are in decline since the layoffs.”

While these facts may seem daunting, there are steps companies can take to lift employees out of this recessionary rut. A 2007-2008 global workforce study conducted by Towers Perrin showed that companies with high employee engagement show a 19.2 percent increase in operating income while low engagement companies show a drop of 32.7 percent.

According to Globoforce, a recognition strategist, strategic recognition is the rescue package HR managers need right now to reengage disenchanted and disconnected employees, galvanize them around key goals and put the company on track to greater productivity.

“Now, more than ever, employees are in dire need of a boost to lift their spirits and re-focus them on their jobs,” said Derek Irvine, vice president of global strategy with Globoforce. “A simple ‘thank you’ or a small reward can do wonders to elevate mood, ignite morale and engage employees. When these rewards are tied to company values and goals, it reinforces those important messages and infuses them back into the workforce.”

In its newly released executive research brief titled, “Rescue Employee Productivity from Recession Fears With Strategic Recognition,” Globoforce advises companies employ the following to put recognition to work within their organization:

- Overcome psychological impacts with sincere appreciation: A little praise goes a long way in elevating employee morale and alleviating fears caused by today’s economic crisis.
- Make work meaningful to engage employees: Tie awards to goals that are particularly critical to the company in this challenging economy and show employees how their behavior is deserving of recognition.
- Consolidate existing recognition initiatives to realize cost efficiencies: Take the buried and distributed budgets of multiple legacy programs and consolidate them into a single, efficient and results-focused global program.
- Measure to show investment value: Start your recognition effort off right by setting clear objectives and defining success metrics upfront. Measure the program against these parameters to show management patterns in productivity relative to the actions recognized and the frequency of recognition in addition to program ROI.
- Gain competitive advantage: Make it a goal to become a “good morale” company and you’ll differentiate your company from the competition.